

Short Title: Discharging Judgments/Bankruptcy.

A BILL TO BE ENTITLED

AN ACT TO UPDATE THE PROCEDURE TO RECORD A BANKRUPTCY COURT ORDER
DISCHARGING A JUDGMENT DEBTOR'S PERSONAL LIABILITY ON A
JUDGMENT OR DISCHARGING A JUDGMENT LIEN.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1-245 reads as rewritten:

"§ 1-245. ~~Cancellation of judgments discharged through bankruptcy~~
~~proceedings.~~Recording of bankruptcy court order discharging judgment
debtor's personal liability on a judgment or discharging judgment lien.

~~When a referee in bankruptcy furnishes the clerk of the superior court of any county in this~~
~~State a written statement or certificate to the effect that a bankrupt has been discharged, indicating~~
~~in said certificate that the plaintiff or judgment creditor in whose favor judgments against the~~
~~defendant bankrupt are docketed in the office of the clerk of the superior court have received due~~
~~notice as provided by law from the said referee, and that said judgments have been discharged,~~
~~it shall be the duty of the clerk of the superior court to file said certificate and enter a notation~~
~~thereof on the margin of said judgments.~~

~~This section shall apply to judgments of this kind already docketed as well as to future~~
~~judgments of the same kind.~~If a bankruptcy court orders either the discharge of a judgment
debtor's personal liability on a judgment docketed in the superior court or the discharge of part
or all of a lien arising from a judgment docketed in the superior court, the judgment debtor may
provide a copy of the order to the clerk of superior court. The clerk shall record the order with
the judgment and enter a notation of the order on the margin of the judgment."

*[Staff Note: G.S. 1-234 provides that a judgment is a lien on any real property owned by the
judgment debtor in the county where the judgment is docketed.]*

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SECTION 2. This act becomes effective [October 1, 2019].